

19-6-405.3. Creation of Petroleum Storage Tank Loan Fund -- Purposes -- Loan eligibility -- Loan restrictions -- Rulemaking.

(1) There is created a revolving loan fund known as the Petroleum Storage Tank Loan Fund.

(2) The sources of money for the loan fund are:

- (a) appropriations to the loan fund;
- (b) principal and interest received from the repayment of loans made by the director under Subsection (3); and
- (c) all investment income derived from money in the fund.

(3) The director may loan, in accordance with this section, money available in the loan fund to a person to be used for:

- (a) upgrading a petroleum storage tank;
- (b) replacing an underground storage tank; or
- (c) permanently closing an underground storage tank.

(4) A person may apply to the director for a loan under Subsection (3) if all tanks owned or operated by that person are in substantial compliance with all state and federal requirements or will be brought into substantial compliance using money from the loan fund.

(5) The director shall consider loan applications under Subsection (4) to meet the following objectives:

- (a) support availability of gasoline in rural parts of the state;
- (b) support small businesses; and
- (c) reduce the threat of a petroleum release endangering the environment.

(6) (a) A loan made under this section may not be for more than:

- (i) \$150,000 for all tanks at any one facility;
- (ii) \$50,000 per tank; and
- (iii) 80% of the total cost of:

- (A) upgrading a tank;
- (B) replacing the underground storage tank; or
- (C) permanently closing the underground storage tank.

(b) A loan made under this section shall:

- (i) have a fixed annual interest rate of 3%;
- (ii) have a term no longer than 10 years;
- (iii) be made on the condition the loan applicant obtains adequate security for the loan as established by board rule under Subsection (7); and
- (iv) comply with rules made by the board under Subsection (7).

(7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the board shall make rules establishing:

- (a) form, content, and procedure for a loan application;
 - (b) criteria and procedures for prioritizing a loan application;
 - (c) requirements and procedures for securing a loan;
 - (d) procedures for making a loan;
 - (e) procedures for administering and ensuring repayment of a loan, including late payment penalties; and
 - (f) procedures for recovering on a defaulted loan.
- (8) A decision by the director to loan money from the loan fund and otherwise

administer the loan fund is not subject to Title 63G, Chapter 4, Administrative Procedures Act.

(9) The Legislature shall appropriate money from the loan fund to the department for the administration of the loan fund.

(10) The director may enter into an agreement with a public entity or private organization to perform a task associated with administration of the loan fund.

No History Available for This Section